

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**  
**Revision 1**

**March 21, 2011**

**TO:** Honorable Mike Hamilton, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB1469** by Hernandez Luna (Relating to exempting certain fraternal and veterans organizations from certain bond requirements to obtain an alcoholic beverage permit or license.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1469, As Introduced: a negative impact of (\$14,630) through the biennium ending August 31, 2013.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	(\$13,300)
2013	(\$1,330)
2014	(\$1,330)
2015	(\$1,330)
2016	(\$1,330)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2012	(\$13,300)
2013	(\$1,330)
2014	(\$1,330)
2015	(\$1,330)
2016	(\$1,330)

**Fiscal Analysis**

The bill would amend the Alcoholic Beverage Code, regarding provisions applicable to permits. The bill would exclude fraternal and veterans organizations from the requirement for businesses located in a county with a population of 1.4 million or more to file a surety bond with the Texas Alcoholic Beverage Commission when applying for or reinstating a permit or license under Chapter 25 (wine and beer retailer's permit) or Chapter 69 (retail dealer's on-premise license) of the Code. Currently, all BG Permits (on or off premise beer and wine permit) and BE Permits (on-premise beer license) located in Dallas, Tarrant and Harris Counties, that do not hold a food and beverage certificate and whose primary business is not food are required to post an initial surety (performance) bond in the amount of \$2,000. This bill would exempt veteran and fraternal organizations from this requirement.

The bill would take effect immediately upon enactment if it receives the requisite two-thirds majority

votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2011.

### **Methodology**

The bill would not have a significant revenue impact to the state, but it would cause the agency to incur a cost of \$13,300 in FY 2012 for software system enhancements (10 days at \$1,330 a day) and annual operating costs of \$1,330 for annual software maintenance.

### **Technology**

Programming costs included in this fiscal note are based on current rates paid to the agency's software vendor, including increases in recurring annual software maintenance costs.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 458 Alcoholic Beverage Commission

**LBB Staff:** JOB, AG, GG, DAR